

QUARTERLY STATEMENT
OF THE
Victory Health Plan, Inc.

of
Brentwood
in the state of
Tennessee

TO THE
Insurance Department
OF THE STATE OF
Tennessee

FOR THE QUARTER ENDED
June 30, 2003

2003

HEALTH QUARTERLY STATEMENT

AS OF June 30, 2003

OF THE CONDITION AND AFFAIRS OF THE

Victory Health Plan, Inc.

NAIC Group Code	1268	1268	NAIC Company Code	95792	Employer's ID Number	62-1531881
	(Current Period)	(Prior Period)				
Organized under the Laws of	Tennessee		State of Domicile or Port of Entry	Tennessee		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]	Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X]	Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]			
Date Incorporated or Organized	05/14/1993		Date Commenced Business	01/01/1994		
Statutory Home Office	215 Centerview Drive, Suite 300		Brentwood, TN 37027			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office	215 Centerview Drive, Suite 300					
	(Street and Number)					
	Brentwood, TN 37027		(615)782-7800			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	215 Centerview Drive, Suite 300		Brentwood, TN 37027			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records	215 Centerview Drive, Suite 300					
	(Street and Number)					
	Brentwood, TN 37027		(615)782-7914			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address						
Statutory Statement Contact	Jennifer Giannotti		(615)782-7914			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	jgiannotti@vhptn.com		(615)782-7826			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact						
			(Street and Number)			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)(Extension)			

OFFICERS

President	Michael Bailey
Secretary	Willis Jones
Treasurer	

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Philip Hertik	Willis Jones
Michael Bailey	

State of	Tennessee
County of	Williamson ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
Michael Bailey	Willis Jones	
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[] No[X]
day of , 2003	b. If no, 1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	
(Notary Public Signature)		

ASSETS

		Current Statement Date			4
		1	2	3	December 31, Prior Year Net Admitted Assets
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1.	Bonds	1,334,652		1,334,652	1,234,409
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks				
3.	Mortgage loans on real estate:				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate:				
	4.1 Properties occupied by the company (less \$..... encumbrances)				
	4.2 Properties held for the production of income (less \$..... encumbrances)				
	4.3 Properties held for sale (less \$..... encumbrances) ..				
5.	Cash (\$.....3,520,089 and short-term investments \$.....)	3,520,089		3,520,089	4,768,673
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets				
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	4,854,741		4,854,741	6,003,082
11.	Investment income due and accrued	12,498		12,498	13,625
12.	Premiums and considerations:				
	12.1 Uncollected premiums and agents' balances in course of collection				
	12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
	12.3 Accrued retrospective premiums				
13.	Reinsurance:				
	13.1 Amounts recoverable from reinsurers				
	13.2 Funds held by or deposited with reinsured companies				
	13.3 Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans	288,011		288,011	155,870
15.1	Current federal and foreign income tax recoverable and interest thereon				
15.2	Net deferred tax asset				
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software				
18.	Furniture and equipment, including health care delivery assets (\$.....)				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates	256		256	253,356
21.	Health care (\$.....) and other amounts receivable				
22.	Other assets nonadmitted				
23.	Aggregate write-ins for other than invested assets				175,349
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	5,155,506		5,155,506	6,601,282
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	TOTALS (Lines 24 and 25)	5,155,506		5,155,506	6,601,282
DETAILS OF WRITE-INS					
0901				
0902				
0903				
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Accounts Receivable - Pharmacy Rebate				175,349
2302				
2303				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				175,349

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	514,273		514,273	656,510
2.	Accrued medical incentive pool and bonus payments				227,689
3.	Unpaid claims adjustment expenses				
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	61,616		61,616	84,150
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				160,300
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)				
22.	Total liabilities (Lines 1 to 21)	575,889		575,889	1,128,649
23.	Common capital stock	X X X	X X X	100,000	100,000
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X	85,190,279	85,190,279
26.	Surplus notes	X X X	X X X	4,231,300	4,231,300
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X	(6,955,991)	(6,955,991)
28.	Unassigned funds (surplus)	X X X	X X X	(77,985,971)	(77,092,955)
29.	Less treasury stock, at cost:				
29.1 shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2 shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	4,579,617	5,472,633
31.	Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	5,155,506	6,601,282
DETAILS OF WRITE-INS					
2101				
2102				
2103				
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2701.	Dividend to Vanderbilt University	X X X	X X X	(6,955,991)	(6,955,991)
2702	X X X	X X X		
2703	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X	(6,955,991)	(6,955,991)

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	156,377	
2.	Net premium income (including \$..... non-health premium income)	X X X	23,373	
3.	Change in unearned premium reserves and reserves for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	23,373	
Hospital and Medical:				
9.	Hospital/medical benefits		14,484	
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs			
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool and withhold adjustments			
16.	Subtotal (Lines 9 to 15)		14,484	
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)		14,484	
19.	Non-health claims			
20.	Claims adjustment expenses			
21.	General administrative expenses		951,875	
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		966,359	
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(942,986)	
25.	Net investment income earned		49,970	
26.	Net realized capital gains or (losses)			
27.	Net investment gains or (losses) (Lines 25 plus 26)		49,970	
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(893,016)	
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	(893,016)	
DETAILS OF WRITE-INS				
0601	X X X		
0602	X X X		
0603	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701	X X X		
0702	X X X		
0703	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401			
1402			
1403			
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901			
2902			
2903			
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	5,472,632	6,395,586
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	(893,016)	
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets		
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	(893,016)	
49.	Capital and surplus end of reporting period (Line 31 plus 48)	4,579,616	6,395,586
DETAILS OF WRITE-INS			
4701.	Dividend to Vanderbilt University		
4702		
4703		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year To Date	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	23,373	32,614,246
2.	Net investment income	61,443	30,310
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	84,816	32,644,556
5.	Benefit and loss related payments	337,237	31,628,475
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	885,575	5,704,983
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net tax on capital gain (losses)		253,356
10.	Total (Lines 5 through 9)	1,222,812	37,586,814
11.	Net cash from operations (Line 4 minus Line 10)	(1,137,996)	(4,942,258)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	110,000	570,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	110,000	570,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	220,588	805,053
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	220,588	805,053
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(110,588)	(235,053)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds received		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)		
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17)	(1,248,584)	(5,177,311)
19.	Cash and short-term investments:		
19.1	Beginning of year	4,768,673	9,945,984
19.2	End of period	3,520,089	4,768,673

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
			2	3										
		Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:														
1.	Prior Year	26,632								26,632				
2.	First Quarter	26,364								26,364				
3.	Second Quarter	27,170								27,170				
4.	Third Quarter													
5.	Current Year													
6.	Current Year Member Months	156,377								156,377				
Total Member Ambulatory Encounters for Period:														
7.	Physician	957								957				
8.	Non-Physician	310								310				
9.	Total	1,267								1,267				
10.	Hospital Patient Days Incurred	5,822								5,822				
11.	Number of Inpatient Admissions	1,392								1,392				
12.	Health Premiums Collected	23,373								23,373				
13.	Life Premiums Direct													
14.	Property/Casualty Premiums Written													
15.	Health Premiums Earned	23,373								23,373				
16.	Property/Casualty Premiums Earned													
17.	Amount Paid for Provision of Health Care Services ...	384,410								384,410				
18.	Amount Incurred for Provision of Health Care Services	14,484								14,484				

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Payable						
Global Capitation Providers					514,273	514,273
0199999 Individually Listed Claims Payable					514,273	514,273
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals					514,273	514,273
0599999 Unreported claims and other claim reserves						
0699999 Total Amounts Withheld						
0799999 Total Claims Payable						514,273
0899999 Accrued Medical Incentive Pool						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)
2.	Medicare Supplement
3.	Dental only
4.	Vision only
5.	Federal Employees Health Benefits Plan Premiums
6.	Title XVIII - Medicare
7.	Title XIX - Medicaid	384,410	514,273	898,683	656,510
8.	Other health
9.	Health subtotal (Lines 1 to 8)	384,410	514,273	898,683	656,510
10.	Other non-health
11.	Medical incentive pools, accruals and disbursements	227,689
12.	TOTALS	384,410	514,273	898,683	884,199

Notes to Financial Statement

17c. VHP, Inc. does not have any wash sales.

GENERAL INTERROGATORIES
(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes[] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes attach an explanation.

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/1997
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

02/23/1998
- 7.4 By what department or departments?
7.1 Deloitte & Touche, LLP 7.2 & 7.3 - Tennessee Department of Commerce & Insurance
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes[] No[X]
- 8.2 If yes, give full information
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
..... Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

10.1 Has there been any changes in the reporting entity's own preferred or common stock?

Yes[] No[X]

10.2 If yes, explain:

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$

13. Amount of real estate and mortgages held in short-term investments:

\$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]

14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds
14.22 Preferred Stock
14.23 Common Stock
14.24 Short-Term Investments
14.25 Mortgages, Loans or Real Estate
14.26 All Other
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[X] N/A[]

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV, H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[] No[X]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[] No[X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....

SCHEDULE A - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Increase (decrease) by adjustment		
3.	Cost of acquired		
4.	Cost of additions to and permanent improvements		
5.	Total profit (loss) on sales		
6.	Increase (decrease) by foreign exchange adjustment		
7.	Amount received on sales		
8.	Book/adjusted carrying value at end of current period		
9.	Total valuation allowance		
10.	Subtotal (Lines 8 plus 9)		
11.	Total nonadmitted amounts		
12.	Statement value, current period (Page 2, real estate lines, current period)		

SCHEDULE B - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2.	Amount loaned during period:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount and mortgage interest points and commitment fees		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period		

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

		1	2
Description		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2.	Cost of acquisitions during period:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period		

SCHEDULE D - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,234,409	1,012,004
2.	Cost of bonds and stocks acquired	220,588	805,053
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		(12,648)
5.	Increase (decrease) by foreign exchange adjustment		
6.	Total profit (loss) on disposal		
7.	Consideration for bonds and stocks disposed of	110,000	570,000
8.	Amortization of premium	10,345	
9.	Book/adjusted carrying value, current period	1,334,652	1,234,409
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	1,334,652	1,234,409
12.	Total nonadmitted amounts		
13.	Statement value (Lines 11 minus 12)	1,334,652	1,234,409

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	1,234,553	105,500		5,402	1,234,553	1,334,652		1,234,409
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. TOTAL Bonds	1,234,553	105,500		5,402	1,234,553	1,334,652		1,234,409
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. TOTAL Preferred Stock								
15. TOTAL Bonds & Preferred Stock	1,234,553	105,500		5,402	1,234,553	1,334,652		1,234,409

15 Schedule DA Part 1 - NONE

15 Schedule DA Part 2 Verification - NONE

16 Schedule DB Part F Section 1 - NONE

17 Schedule DB Part F Section 2 - NONE

18 Schedule S Ceded Reinsurance - NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date					
				3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
1.	Alabama (AL) No No ..						
2.	Alaska (AK) No No ..						
3.	Arizona (AZ) No No ..						
4.	Arkansas (AR) No No ..						
5.	California (CA) No No ..						
6.	Colorado (CO) No No ..						
7.	Connecticut (CT) No No ..						
8.	Delaware (DE) No No ..						
9.	District of Columbia (DC) No No ..						
10.	Florida (FL) No No ..						
11.	Georgia (GA) No No ..						
12.	Hawaii (HI) No No ..						
13.	Idaho (ID) No No ..						
14.	Illinois (IL) No No ..						
15.	Indiana (IN) No No ..						
16.	Iowa (IA) No No ..						
17.	Kansas (KS) No No ..						
18.	Kentucky (KY) No No ..						
19.	Louisiana (LA) No No ..						
20.	Maine (ME) No No ..						
21.	Maryland (MD) No No ..						
22.	Massachusetts (MA) No No ..						
23.	Michigan (MI) No No ..						
24.	Minnesota (MN) No No ..						
25.	Mississippi (MS) No No ..						
26.	Missouri (MO) No No ..						
27.	Montana (MT) No No ..						
28.	Nebraska (NE) No No ..						
29.	Nevada (NV) No No ..						
30.	New Hampshire (NH) No No ..						
31.	New Jersey (NJ) No No ..						
32.	New Mexico (NM) No No ..						
33.	New York (NY) No No ..						
34.	North Carolina (NC) No No ..						
35.	North Dakota (ND) No No ..						
36.	Ohio (OH) No No ..						
37.	Oklahoma (OK) No No ..						
38.	Oregon (OR) No No ..						
39.	Pennsylvania (PA) No No ..						
40.	Rhode Island (RI) No No ..						
41.	South Carolina (SC) No No ..						
42.	South Dakota (SD) No No ..						
43.	Tennessee (TN) No Yes ..			23,373			
44.	Texas (TX) No No ..						
45.	Utah (UT) No No ..						
46.	Vermont (VT) No No ..						
47.	Virginia (VA) No No ..						
48.	Washington (WA) No No ..						
49.	West Virginia (WV) No No ..						
50.	Wisconsin (WI) No No ..						
51.	Wyoming (WY) No No ..						
52.	American Samoa (AS) No No ..						
53.	Guam (GU) No No ..						
54.	Puerto Rico (PR) No No ..						
55.	U.S. Virgin Islands (VI) No No ..						
56.	Canada (CN) No No ..						
57.	Aggregate other alien (OT) X X X X X X ..						
58.	TOTAL (Direct Business) X X X ..	(a)..... 1			23,373			
DETAILS OF WRITE-INS									
5701 X X X X X X ..						
5702 X X X X X X ..						
5703 X X X X X X ..						
5798.	Summary of remaining write-ins for Line 57 from overflow page X X X X X X ..						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above) X X X X X X ..						

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL CHART

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSES
1. Will the SVO Compliance Certification be filed with this statement?	Yes

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

E01 Schedule A Part 2 - NONE

E01 Schedule A Part 3 - NONE

E02 Schedule B Part 1 - NONE

E02 Schedule B Part 2 - NONE

E03 Schedule BA Part 1 - NONE

E03 Schedule BA Part 2 - NONE

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
Bonds - All Other Governments								
3133MNS69	Federal Home Loan Bank Note 05/01/2003	AmSouth Investment Services X X X 105,500 100,000 1,914	1
1099999 Subtotal - Bonds - All Other Governments 105,500 100,000 1,914
6099997 Subtotal - Bonds - Part 3 105,500 100,000 1,914
6099998 Summary Item for Bonds Bought and Sold This Quarter								
6099999 Subtotal - Bonds 105,500 100,000 1,914
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter								
7099998 Summary Item for Common Stock Bought and Sold This Quarter						X X X		
7199999 Subtotal - Preferred and Common Stock						X X X		
7299999 Total - Bonds, Preferred and Common Stock 105,500 X X X 1,914

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

E05 Schedule D Part 4 - NONE

E06 Schedule DB Part A Section 1 - NONE

E06 Schedule DB Part B Section 1 - NONE

E07 Schedule DB Part C Section 1 - NONE

E07 Schedule DB Part D Section 1 - NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances									
1			2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository			Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	*
						First Month	Second Month	Third Month	
open depositories									
AmSouth Bank	Nashville, Tennessee		0.495	239		250,968	167,020	166,646	
Bank of America, N.A.	Atlanta, Georgia		1.542	11,749		4,005,932	3,587,189	3,353,443	
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X ...						
0199999 Totals - Open Depositories			X X X ...	11,988		4,256,900	3,754,209	3,520,089	
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X ...						
0299999 Totals - Suspended Depositories			X X X ...						
0399999 Total Cash On Deposit			X X X ...	11,988		4,256,900	3,754,209	3,520,089	
0499999 Cash in Company's Office			X X X ...	X X X ...	X X X ...				
0599999 Total Cash			X X X ...	11,988		4,256,900	3,754,209	3,520,089	



SVO Compliance Certification

"The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with performing all filings with appropriate state regulatory officials and the NAIC and is therefore required to be familiar with the requirements of such filings. The undersigned officer certifies that, to the best of his or her knowledge, information, and belief, all prices or NAIC designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that, to the best of his or her knowledge, information, and belief, since the last filing of a quarterly or annual statement:

- 1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
- 2. Any newly purchased securities now identified with a Z suffix shall be submitted to the SVO within 120 days of purchase.
- 3. All necessary information on securities which have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
- 4. All material issuer events (as defined below) have been reported to the SVO."

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware, which by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the US Bankruptcy Code;
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment;
- c. Any change in the maturity of a security;
- d. Changes in the lender's collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise;
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions_____

Name of Investment Officer

Signature of Investment Officer

Title of Signatory

Date

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